

STATE OF MICHIGAN

JOHN ENGLER, Governor
DEPARTMENT OF TREASURY

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STATE TAX COMMISSION

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TO: Boards of Review
Assessing Officers

FROM: State Tax Commission

RE: 1995 BOARD OF REVIEW

The State Tax Commission (STC) has sent bulletins to Boards of Review whenever changes to the law have warranted an update of the previous Board of Review bulletin. A standard format for these bulletins has evolved which will be retained as part II of this bulletin. Part I will contain information about changes which have occurred in the past year which Boards of Review need to know about for the 1995 assessment year.

PART I

A) Proposal A

On March 15, 1994 the voters of the State of Michigan approved Proposal A which made significant changes to the State Constitution. Most notably, for Boards of Review, Proposal A implemented a cap on the growth in Taxable Value. Taxable Value is a new term. Starting in 1995, property taxes will be calculated using Taxable Value rather than State Equalized Value which was used in the past.

On December 29, 1994 the Governor signed into law Public Act (PA) No. 415 of 1994. PA 415 of 1994 contains many changes to the General Property Tax Act regarding the implementation of Proposal A.

What has not changed for 1995 is the method of computing assessed value and the system of county and state equalization. The "traditional" assessed value is still required to be 50% of market value. There will still be a state equalized value (SEV) for each property in the State of Michigan. Properties of similar value within a township or city must still have similar assessed values. In other words, the uniformity provision of the 1963 Michigan Constitution still applies.

The biggest change for 1995 is the requirement to calculate a Taxable Value for each property in the State of Michigan (Starting in 1995, property taxes will be calculated using Taxable Value rather than State Equalized Value). It is Taxable Value, not assessed or equalized value, which is subject to the cap required by Proposal A. The calculation of Taxable Value will be discussed

later in this bulletin. For many parcels of property, SEV will be the Taxable Value created by Proposal A. For other properties, the taxable value will be the "Capped Value" established by Proposal A.

In the past, property tax bills have been calculated using ONLY State Equalized Valuations (SEVs) as the property tax base for each parcel of property on the tax roll, as follows:

OLD FORMULA

(A)	times	(B)	equals	(C)
State Equalized Value	X	Authorized Millage Rate	=	Parcel's Property Tax Levy

The term Taxable Value was created by Proposal A and now Taxable Value always replaces State Equalized Value as item (A) in the property tax equation above. Taxable Value has become the single property tax base in Michigan used to calculate property taxes.

NEW FORMULA

(A)	times	(B)	equals	(C)
Taxable Value (Lower of SEV or Capped Value)	X	Authorized Millage Rate	=	Parcel's Property Tax Levy

IMPORTANT: Please note that the following general requirements are still applicable to the 1995 assessment/equalization process.

- 1) Assessors shall prepare a 1995 assessment roll that contains "traditional" assessed valuations for each parcel of property, with uniformity according to the value of the parcel, and at 50 percent of true cash value, just as was done in past years.
- 2) Proposal A did not provide the authority to increase all "traditional" assessments across the board by the inflation rate. This would not have been good assessing practice last year and it is not prescribed this year. **THIS IS NOT REQUIRED OR PERMITTED BY PROPOSAL A, AND DOES NOT SATISFY PROPOSAL A'S REQUIREMENT FOR A TAXABLE VALUATION CAP.**
- 3) The cap on Taxable Value that was authorized by Proposal A has popularly been referred to as an assessment cap. A more technically accurate description of it would be to call it a Taxable Value cap. Calling it by either name does not alter the fact that it effectively limits property taxes for capped properties, but knowing that it is a Taxable Value Cap and not an assessment cap accounts for the many assessment increase notices that will be received prior to boards of review, and

the fact that 1995 assessments must be revised upwards or downwards where real estate values have increased or decreased, in the same manner they have been adjusted in the past.

"Traditional" assessments are to be uniform according to the value of the property and at 50 percent of value for each parcel of property in your township or city, regardless of whether or not the taxable value is capped. The calculation of Taxable Value is separate from the "traditional" assessed value and will be discussed later in this bulletin.

- 4) County Equalization Studies (usually 24 month studies) are still required to be prepared by Equalization Departments and submitted by an Equalization Department to the State Tax Commission prior to December 31 annually. Single year or 12 month studies still are appropriate only where there are severely declining real estate markets. State Equalization data is still to be prepared by the Property Tax Division staff that serves the State Tax Commission. Each County Board of Commissioners still must annually equalize assessments for each Township and City within each County during its April Equalization Session.

Assessors and Boards of Review still have the obligation to turn over an assessment roll for their unit immediately following adjournment of the Board of Review, but no later than the tenth day after adjournment of the Board of Review, or by April 5, whichever is first. See Section 211.30(4) of the General Property Tax Act. The State will hold a preliminary State Equalization meeting on the Second Monday in May and a Final State Equalized Valuation on the six separately equalized classifications of real property plus personal property, on the Fourth Monday in May.

THE DETERMINATION OF ASSESSMENTS (PREPARATION AND REVIEW OF AN ASSESSMENT ROLL) ARE STILL IMPORTANT AND REQUIRED PROJECTS FOR ASSESSORS AND BOARDS OF REVIEW, AND COUNTY AND STATE EQUALIZED VALUATIONS ARE STILL IMPORTANT AND REQUIRED BY CONSTITUTION AND STATUTE. State equalized values will still be used in the calculation of property taxes for many parcels throughout the state and they are used in over 150 places in the law for such things as state revenue sharing payments.

- 5) Proposal A did not change the State Tax Commission Rules for 1995 and thereafter and the rules still apply to the assessment/equalization activity of assessors, equalization departments and boards of review.
- 6) The statutes for Truth in Assessing and Truth in Equalization (MCL 211.34) are still based on "traditional" assessed valuations and equalized valuations, not on taxable valuations. Where Truth in Assessing or Truth in Equalization applies, this means that any unit that gets a 1995 county or state equalization factor will be required to adjust millage rates in accordance with the provisions of the above cited acts. Truth in Assessing applies to township and city millages, and Truth in Equalization applies to authority, county, and village

millages. All millage reduction fractions, including "Headlee" (MCL 211.34d), and Truth in Taxation will be extensively addressed in a separate, later bulletin. The present law requires that taxable value be used in the calculation of the "Headlee" rollback and that SEV be used in the Truth in Taxation calculation required by MCL 211.24e.

- 7) State Assessor's Board rules still provide that if an assessing unit receives an equalization factor of more than 1.10, the factor shall be sufficient cause for the board to determine if the certification of the assessor who prepared the assessment roll shall be revoked or suspended.

Calculation of Taxable Value

Starting in 1995, Proposal A requires that a Taxable Value be calculated for each parcel of property in the State of Michigan. The formula for calculating Taxable Value is as follows:

1995 Taxable Value is the LOWER of:

- 1) 1995 SEV
or
- 2) 1995 CAPPED VALUE which is calculated as follows:
 $(1994 \text{ Final SEV} - \text{Losses}) \times (\text{The lower of } 1.05 \text{ or the inflation rate}) + \text{Additions}$

NOTE: Public Act No. 415 of 1994 has created an alternative, more complicated formula to the one above which must be used starting in 1996. This is discussed in STC Bulletin No. 3 of 1995.

Since the inflation rate for the formula above is 1.026 for 1995, the formula can be simplified as follows:

1995 Taxable Value is the LOWER of:

- 1) 1995 SEV
or
- 2) 1995 CAPPED VALUE which is calculated as follows:
 $(1994 \text{ Final SEV} - \text{Losses}) \times 1.026 + \text{Additions}$

Additions and losses for this formula are defined in Public Act 415 of 1994 and are explained in STC Bulletin No. 3 of 1995.

The following example shows the calculation of Taxable Value for a property which has no additions or losses.

EXAMPLE: for a property whose market value increases by 10% for 1995

1994 SEV = 50,000

1995 SEV = 50,000 + 10% = 55,000

1995 Taxable Value is the LOWER of:

- 1) The 1995 SEV of 55,000
- 2) $(50,000 - \text{or} - \text{Losses}) \times 1.026 + \text{Additions}$
(THIS IS THE FORMULA FOR CAPPED VALUE)

Since there are no additions or losses for this example, the formula for capped value is:

$$(50,000 - 0) \times 1.026 + 0$$

It can be further simplified as:

$$50,000 \times 1.026$$

$$\text{Capped Value} = 51,300$$

The 1995 Taxable Value is \$51,300 (since this is lower than the 1995 SEV of 55,000.)

Transferred Properties

Starting in the 1996 assessment year, the taxable value of properties which have transferred in the previous year will be the SEV of the property for the year following the transfer regardless of the cap produced by the taxable value formula. In other words, properties which transfer anytime during calendar year 1995, will have their taxable values uncapped in 1996.

The growth in taxable value of transferred properties will then be capped again in the second year following the transfer.

THE TAXABLE VALUES OF TRANSFERRED PROPERTIES ARE FIRST SUBJECT TO BEING UNCAPPED IN 1996, NOT IN 1995.

Beginning in 1995, for use with 1996 taxable valuations, the law requires that a buyer or seller of property shall report the transfer of property and the amount of the transfer to the assessing officer on STC Form L-4260 (Real Estate Transfer Affidavit). While this function is not the responsibility of boards of review, boards of review may get questions regarding the above. The information on STC Form L-4260 does not apply to 1995 assessments, but first applies in 1996.

B) Industrial Facilities Tax Roll (IFT)

Taxes on the IFT roll are calculated by multiplying the appropriate millage by the State Equalized Value of the property, not the Taxable Value. It is, therefore, not necessary to calculate a taxable value or a capped value for the IFT roll.

C) Authority of the Board of Review to Make Changes to Assessed Value, Capped Value, Tentative Taxable Value, Property Classification, and Exemptions

In the past, a taxpayer could appeal the assessed value, the exempt status, and the classification of a property to the March Board of Review. The Board of Review's authority as regards assessed value, exempt status, and the classification of a property has not changed.

Starting in 1995, a taxpayer may also appeal the tentative Taxable Value to the Board of Review.

The Board of Review's authority regarding each of these items is discussed below.

1) Assessed Values

The "traditional" assessed value is still required by law to be assessed at 50% of true cash value. The State Constitution still requires the "traditional" assessed value to be uniform with the assessments of other similar properties.

A Board of Review shall not make across the board adjustments which are prohibited by the Michigan Supreme Court in various rulings. A Board of Review did not have and does not now have the authority to make changes to alter, evade or defeat an equalization factor assigned by the county or the state.

If the Board of Review changes the assessed value, it must also consider whether this change has caused the tentative Taxable Value to also change. This could happen because tentative Taxable Value is the LOWER of the assessed value (after applying the tentative equalization factor) and the Capped Value.

EXAMPLE: Using the same information from the example earlier in this bulletin for a property which did not include any additions or losses.

Given: 1994 SEV = \$50,000
1995 Assessed Value = \$55,000 (Tentative Equalization Factor is 1.000)
1995 Capped Value = \$51,300
1995 Tentative Taxable Value = \$51,300

If the Board of Review changed the 1995 Assessed Value from \$55,000 to \$51,000, the Tentative Taxable Value would also change to \$51,000 because \$51,000 is lower than the 1995 Capped Value of \$51,300.

2) Capped Values

STC Bulletin No. 14 of 1994 states that the assessment roll must contain the capped value for each parcel of real property. As explained in

paragraph A of this bulletin, the 1995 formula for capped value is calculated as follows (See STC Bulletin No. 3 of 1995 for alternative formula):

$$\text{Capped Value} = (1994 \text{ Final SEV} - \text{Losses}) \times 1.026 + \text{Additions}$$

Two elements of the formula above are matters of record and do not require any judgement decisions by the Board of Review. Those elements are the "1994 Final SEV" and the "inflation factor" of 1.026. If the correct numbers of record are in the formula, these two elements CANNOT be changed by the Board of Review.

For 1995 Capped Value calculations, the Board of Review does not have the option to use a number other than 1.026 for the inflation rate. The inflation rate will change each year.

The amount of the Losses and Additions, if improper, may be changed by the Board of Review. Please see STC Bulletin No. 3 of 1995 which addresses the procedures required by law for determining the amount of Losses and Additions.

If the Board of Review changes the Capped Value by changing the amount of an addition or loss, it must also include the affects of this change in the assessed value. This would also cause tentative Taxable Value to change because tentative Taxable Value shall be the LOWER of the Assessed Value (after applying the tentative equalization factor) and the Capped Value.

EXAMPLE: In this example a garage was added in 1994 with a true cash value of \$8,000

Given: 1994 SEV = \$50,000

1995 Assessed Value = \$59,000 (Tentative Equalization Factor is 1.000) This assessment includes a 10% increase over the previous year because the value of this property has risen plus \$4,000 for the garage

1995 Capped Value = \$55,300 (Calculated as follows:)

(1994 SEV - Losses) X 1.026 + Additions

(\$50,000 - 0) X 1.026 + \$4,000

\$55,300

1995 Tentative Taxable Value = \$55,300

If the Board of Review lowered the amount of the addition in the Capped Value formula for the garage by \$500 (from \$4,000 to \$3,500) it would also be necessary to lower the assessed value by \$500 down to \$58,500.

3) Tentative Taxable Values

The law requires that the assessment roll must show the tentative

Taxable Value for each parcel of property. Once the Capped Value and the Assessed Value (with its tentative equalization factor) are properly calculated, the tentative Taxable Value is merely the lower of the two. If this is properly done, **THE BOARD OF REVIEW SHALL NOT CHANGE TENTATIVE TAXABLE VALUE UNLESS IT HAS ALSO CHANGED THE ASSESSED VALUE AND/OR THE CAPPED VALUE.** If either the Capped Value or the Assessed Value is changed by the Board of Review, the Board shall also determine whether the Tentative Taxable Value must also change. This could happen because Tentative Taxable Value is the LOWER of the Assessed Value and the Capped Value. See example under "Assessed Value" in paragraph #1 above.

4) Exemptions

Property exemptions are still determined as required by the law and precedential court cases as in the past. Please note paragraphs D and H below which address the exemptions for homesteads, qualified agricultural properties, and poverty exemptions.

5) Property Classifications

Property classifications must still be made in accordance with section 211.34c of the Michigan Compiled Laws. When considering a property's classification, Boards of Review must not be influenced by the effect that a particular classification might have on that property's exempt status as a homestead or qualified agricultural property. For example, a board of review has no authority to grant an agricultural classification just because it would qualify a property for exemption from the 18 mills of local school operating tax.

MCL 211.34c provides that an owner or assessor who is not satisfied with the decision of the March Board of Review regarding a property's classification, may file a petition with the STC within 30 days after adjournment of the Board of Review. The determination by the STC is final and cannot be appealed.

A separate STC bulletin will be issued soon regarding the proper procedures to follow when classifying properties.

STC Bulletin No. 14 of 1994 requires that the assessment roll have a Board of Review column large enough to accommodate changes to the assessed value, the capped value, and the tentative taxable value. The changes to each of these must be recorded separately on the roll. This may be accomplished by placing an "A" behind a revised assessed value, a "C" behind a revised capped value, and a "T" behind a revised tentative taxable value.

D) Exemption from 18 mills of Local school Operating Tax for Homesteads (Administered by Michigan Department of Treasury) and Qualified Agricultural Properties (Administered by the STC)

Starting in 1994, properties which qualified as "homesteads" or "qualified agricultural property" were exempt from some school operating taxes (usually 18 mills).

The March Board of Review has NO authority to consider or act upon appeals of "homestead" exemptions for 1994 or 1995 or any year thereafter, no matter how the "homesteads" are classed. If the assessor denies a homestead exemption, the owner may appeal to the Michigan Department of Treasury within 35 days of the notice of denial, **NOT TO THE MARCH BOARD OF REVIEW**. The owner may then appeal the decision by the Department of Treasury to the Michigan Tax Tribunal within 35 days.

The March Board of Review **DOES** have authority to consider and act on appeals regarding the exemption for qualified agricultural properties for 1995 and thereafter, but **NOT** for 1994. If an assessor believes that a property for which an exemption has been granted in 1994 is not qualified agricultural property in 1995, the assessor may deny or modify the exemption. If so, the assessor must notify the owner in writing and mail the notice to the owner not less than 10 days before the second meeting of the Board of Review. A taxpayer may then appeal the assessor's determination to the March Board of Review. The Board of Review's decision may then be appealed to the Michigan Tax Tribunal.

Properties which meet the requirements of the qualified agricultural property exemption as of May 1, 1995 shall be exempted by the assessor from the 18 mills starting with 1995 tax bills. If the assessor denies a 1995 exemption because the property does not qualify as of May 1, 1995, the owner may appeal that denial to the July Board of Review if there is a summer levy or to the December Board of Review. An owner of property that is qualified agricultural property on May 1, 1995 who claims to have filed an affidavit but does not receive the exemption on the 1995 tax roll may also appeal to the July or December Board of Review.

The State Tax Commission (STC) will soon be issuing a bulletin to assessors which will provide detailed information regarding the criteria to be used when granting exemptions for qualified agricultural properties.

The State Tax Commission will also be issuing a bulletin soon regarding the procedures to be followed by the assessor and the Board of Review when classifying properties as required by MCL 211.34c.

E) Form L-4035, Petition to Board of Review

Attached at the end of this bulletin is a copy of STC form L-4035 (Petition to Board of Review) which is recommended by the State Tax Commission for use by the Board of Review. A description of the use of this form can be found in Part II of this bulletin under the heading "Board of Review Minutes".

F) Certain Relatives of the Assessor May Not Serve on the Board of Review

Public Act No. 292 of 1993 states that a spouse, mother, father, sister, brother, son or daughter including an adopted child, of the assessor is not eligible to serve on the Board of Review or to fill any vacancy on the board.

G) Public Act 297 of 1994

The State Tax Commission will issue a separate bulletin soon regarding the provisions of Public Act 297 of 1994 as amended by PA 415 of 1994 which amends section 30c of the General Property Tax Act.

Section 30c states, in brief, that when the March Board of Review or the Michigan Tax Tribunal reduces the assessed value or taxable value of a property starting in 1994, that reduced amount must be used as the basis for calculating the assessment in the immediately succeeding year starting in 1995. This only applies to Michigan Tax Tribunal changes when the MTT hearing is held in the same calendar year as the year of the assessment being appealed. Therefore, if the MTT hearing for a 1994 assessment appeal isn't held until 1995, the resulting assessment does not have to be used as the basis for the 1995 assessment.

Boards of review are cautioned that the "basis" for an assessment does not necessarily become the assessment. The dictionary defines basis as the base, foundation, or chief supporting factor of anything. Assessments still have to be at 50% of True Cash Value and uniform.

H) Poverty Exemptions

Public Act 390 of 1994, signed by the Governor on December 29, 1994, makes significant changes to the poverty exemption found in section 211.7u of the Michigan Compiled Laws. Please see STC Bulletin No. 5 of 1995 for details.

I) "Qualified Personal Property " of a "Qualified Business"

Public Act 96 of 1994, signed by the Governor on April 12, 1994, was enacted for small leasing companies who would like the users of their leased equipment to pay the personal property tax directly to the taxing unit.

Please see STC Bulletin No. 16 of 1994 for details regarding the implementation of Public Act 96.

J) Park Models Trailer Coaches

Recently it has come to the attention of the State Tax Commission that some assessors are not assessing park model (trailer coaches) because of the mistaken impression that park models are exempt from ad valorem property taxation in certain situations. Park models are assessable even if they are licensed by the Secretary of State's Office.

Park models have the same general appearance as mobile homes but are smaller than mobile homes. Park models have less than 400 square feet of floor area and are therefore not able to be titled as mobile homes, but are titled as trailer coaches.

Even though park models are titled as trailer coaches they cannot be licensed by the Office of the Secretary of State for regular over-the-road travel because they are wider than 102 inches (See Michigan Compiled Law (MCL) 257.719a) Occasionally the Secretary of State's Office may unknowingly issue a trailer license plate to a park model at the request of the owner, because the park model is titled as a trailer coach. This license plate is not a road-legal license plate and does not exempt the park model from property taxation.

Park models are frequently located in seasonal mobile home parks or in campgrounds and are left there the entire year but are not occupied. In this situation, park models are assessable as personal property to the owners of the park models, regardless of whether the park model trailer coaches are licensed.

PART II

GUIDE FOR THE BOARD OF REVIEW

MEMBERSHIP

Three, six, or nine electors of the township may be appointed by the township board. 211.28(1) and (2), MCL.

At least $\frac{2}{3}$ of the members shall be property taxpayers of the township. If 6 or 9 are appointed, they shall be divided into committees of 3 for the purpose of hearing and deciding. Two of the 3 members of a board of review committee shall constitute a quorum for the transaction of the business of the committee.

The size, composition, and manner of appointment of the board of review of a city may be prescribed by the charter of a city. In the absence of or in place of such a charter provision, the governing body of the city, by ordinance, may establish the city board of review in the same manner and for the same purposes as for township boards of review.

FIRST MEETING

The board of review shall meet on the Tuesday immediately following the first Monday in March to receive the assessment roll for the current year and proceed to examine same. 211.29(1) MCL.

The board on its own motion or for cause shown by any person shall change and correct the roll to insure that the assessments in the roll comply with this act (Act 206, P.A. 1893, the general property tax law). 211.29(2) MCL.

The board shall review the roll according to facts existing on tax day. 211.29(3) MCL.

The board shall pass on each valuation and each interest and enter the valuation of each, as fixed by the board, in a separate column. 211.29(4) MCL. The board of review is authorized to correct the assessed value and/or the tentative taxable value and/or the property classification and/or the qualified agricultural property exemption.

All the statements (personal and real property statements) required to be made and received by the supervisor or assessor shall be filed by same and shall be presented to the board of review for the use of said board. 211.23 MCL. (Statements are confidential with penalties for divulging information.)

The business which the board may perform shall be conducted at an open public meeting as provided in Act 267, P.A. 1976, Open Meetings Act.

Notice of the meeting of the board of review shall be given at least one week before in a generally circulated newspaper serving the area in 3 successive issues. If a newspaper is not available the notice shall be posted in 4 conspicuous places in the township. (211.29(6) MCL) (Note: Sec. 211.34a, M.C.L. requires that the notice of board of review meetings shall give the tentative ratios and estimated multipliers

for each class of property in the assessing unit. Sec. 211.30(5) states that if a township or city authorized a resident taxpayer to file a board of review protest by letter, the notice or publication of the board of review meeting must include a statement notifying taxpayers of this option.)

A notice of any change by the board of review shall be given to the person chargeable with the assessment in such manner as will assure the person has an opportunity to attend the second meeting of the board of review. 211.29(7) MCL.

SECOND MEETING

The board of review shall meet on the second Monday in March at 9 A.M. to continue in session during the day for not less than 6 hours. The board shall also meet for not less than 6 hours during the remainder of that week.

In townships with a population of 10,000 or more the board shall hold at least 3 hours of it's required sessions after 6 P.M.

Persons or their agents who have appeared to file a protest at a scheduled meeting or at a scheduled appointment shall be afforded an opportunity to be heard. 211.30 MCL.

The board of review shall listen to protests and correct the assessed value or the tentative taxable value as will make the valuation just and equal.

The board may examine under oath the person making the application, or any other person, touching the matter. Any member of the board may administer the oath.

The board of review has full authority, upon its own motion, to change assessments, to add to the roll omitted property which is liable to assessment if the person who is assessed shall be promptly notified and granted an opportunity to object.

Every person who makes a request, protest or application to the board of review for the correction of the assessed value or the tentative taxable value of the person's property shall be notified in writing of the board of review's action, not later than the first Monday in June. The notice shall set forth the state equalized valuation or the tentative taxable value of the property, information regarding the right of appeal to the Michigan Tax Tribunal, the address of the Michigan Tax Tribunal and final date for appealing to the Michigan Tax Tribunal. 211.30(2) MCL.

A non-resident taxpayer may file a protest in writing and shall not be required to make a personal appearance. The governing body of a township or city may by ordinance or resolution permit resident taxpayers to file a protest to the board of review in writing without personal appearance. If an ordinance or resolution is adopted to permit residents to file protests in writing, this fact must be contained in the assessment notice required by Sec. 211.24c and on each notice or publication of the meeting of the board of review as required by MCL 211.30(5) MCL.

After the board of review completes its review of the assessment roll, a majority of the entire board membership shall indorse a statement that the roll is the assessment roll of the township for the year in which it was prepared and approved by the board of review. 211.30(3) MCL.

Upon completion and the indorsement of the roll, it shall be presumed by all courts to be valid and shall not be set aside except for causes hereinafter mentioned. The omission of the indorsement shall not affect the validity of such roll. 211.31 MCL.

If a quorum of the board of review or a quorum of a committee of the board is not present at any meeting, the supervisor or any member present shall notify the absent member to attend at once. The member so notified shall attend without delay.

If the second meeting is not held at the time fixed, then the board will meet on the next Monday and proceed as though the meeting had been timely held. 211.32 MCL.

The supervisor shall be secretary of the full board of review and keep a record of proceedings and changes made in the roll and file the record with the township or city clerk. If the supervisor is absent, the board shall appoint one of its members to serve as secretary.

The state tax commission may prescribe the form of the record when necessary. 211.33 MCL.

The review of assessments by the boards of review shall be completed on or before the first Monday in April. 211.30a MCL.

Note: References on this page to the board of review will apply to the committees of 3 if the board consists of 6 or 9 members.

BOARD OF REVIEW ACTIONS-PERMITTED AND PROHIBITED

If the board of review consists of 6 or 9 members in townships or cities, the three member committees originally formed must remain intact. There shall be no transfer of a member or members to another committee. Each committee of three members may hear protests and decide issues.

At the first meeting the full board of review shall meet for the purpose of reviewing the roll. The board of review is not required to receive and hear taxpayers at this meeting; however, it may receive and consider written protests for assessment change. The public shall be permitted to be present as provided in the open meetings act.

The board of review or the committees of 3 must pass on each valuation (both assessed value and tentative taxable value) and each interest. Across the board adjustments by the board have been rejected by the Michigan Supreme Court in ruling in *Hayes v City of Jackson*, 267 Michigan 523 and *Negaunee v State Tax Commission*, 337 Mich 169.

The board of review shall not reject or prepare an assessment roll but must consider only the assessment roll prepared by the assessor.

If the board of review receives an appeal from the classification of a parcel of property, it should give written notice of its action to the person who filed the appeal in order that the person has time to protest to the State Tax Commission. A classification appeal must be filed with the State Tax Commission within 30 days of adjournment of the board of review.

BOARD OF REVIEW MINUTES

A. Minutes should include the following:

1. Each protesting property owner or agent shall be required to file a completed STC form L-4035 with the Board of Review for each disputed assessed value and/or tentative taxable valuation and/or disputed classification and/or qualified agricultural property exemption.
2. The action and vote of the Board of Review shall be noted directly on that form L-4035 in the space provided for BOARD OF REVIEW USE ONLY.
3. The State Tax Commission form L-4035 provides the minimum acceptable format for Board of Review records. Boards of Review using more extensive forms, that meet all the requirements indicated in this text, may continue to do so.
4. State Tax Commission form L-4035 is to be incorporated as an integral part of the Board of Review minutes. Each assessed value and tentative taxable value and classification and qualified agricultural property exemption which is protested by a taxpayer or agent at Board of Review, or altered by the Board of Review, shall be documented by a completed form L-4035 which records the action and vote of the Board.
 - a. Each STC form L-4035, whether or not a change is made by the Board of Review, shall be incorporated into the minutes by the Board of Review by notation of the petition number as recorded on each form L-4035.
 - b. Each form L-4035 shall be attached to and retained with the minutes to provide the necessary historic record.
5. Additionally the minutes shall include references to:
 - a. Place, day, and time of meeting.
 - b. Members present and members absent; correspondence or telephone calls, made or received, and discussion recorded regarding each petition.
 - c. Actual hours in session should be recorded daily, and time of daily adjournments recorded.
 - d. Date and time of closing of the final annual session should be recorded.
6. A written record of the annual Board of Review proceedings is necessary because:
 - a. Petitions may be filed by taxpayers with the Tax Tribunal regarding assessed value, tentative taxable value, or exemption issued or with the Tax Commission regarding non-valuation classification disputes.

- b. A complete record eliminates misunderstandings and provides a year to year record.

STATUTORY REFERENCES

211.2 Michigan Compiled Laws (MCL) Tax Day, preparation of assessment roll, examination of properties.

The taxable status of persons and real and personal property for a tax year shall be determined as of each December 31 of the immediately preceding year, which is considered the tax day, any provisions in the charter of any city or village to the contrary notwithstanding. An assessing officer is not restricted to any particular period in the preparation of the assessment roll but may survey, examine, or review properties at any time before or after the tax day. (This section last amended 1993, Act 313)

211.10 MCL, Village assessments

Notwithstanding any provision to the contrary in the act of incorporation or charter of a village, an assessment for village taxes shall be identical to the assessment made by the applicable assessing officer of the township in which the village is located, and tax statements shall set forth clearly the state equalized value and the taxable value of the individual properties in the village upon which authorized millages are levied.

NOTE: Act 288, PA 1966 amended Sec. 10 of the General Property Tax Law to provide that assessments for village taxes shall be identical to assessments made by the supervisor of the township in which the village is located. Thus the assessments made by the township supervisor automatically become the village assessments. (The village boards of review were abolished by Act 84 of 1967. This section last amended 1994, Act 415)

211.10a MCL

Sec. 10a. All property assessment rolls and property appraisal cards shall be available for inspection and copying during the customary business hours. (This section added 1973, Act 177, Immediate Effect December 28, 1973.)

211.23 MCL Statements, filing, disposition; liability for unlawful use (Personal Property)

Sec. 23. All the statements herein required to be made and received by the supervisor or assessor shall be filed by him, and shall be presented to the board of review hereinafter provided for, or provided for in any act incorporating any village or city, for the use of said board, and after the assessment is reviewed and completed by such board of review, all of the statements shall be deposited in the office of the township or city clerk, and shall be preserved until after the next assessment is made and completed, after which they may be destroyed upon the order of the township board or city or village council, but no such statement shall be used for any other purpose except the making of an assessment for taxes as herein provided, or

for enforcing the provisions of this act, and any officer or person who shall make or allow to be made wilfully or knowingly, any other or unlawful use of any such statement, shall be liable to the person making such statement for all damages resulting from such unauthorized or unlawful use of such statement. All the statements received by the supervisor or assessor shall be made available to the county tax or equalization department mandatorily established under section 34 of this act and use of such statements by such county tax or equalization department shall be deemed a use for the purpose of enforcing the provisions of this act. (This section last amended 1964, Act 275, Effective August 28, 1964.)

211.24c MCL Notice of Assessments Increased (These are increases by the assessor - see Section 30 for changes by the Board of Review)

Sec. 24c.(1) The assessor shall give to each owner or person or persons listed on the assessment roll of the property a notice by first-class mail of an increase in the assessed valuation or the tentative taxable value for the year. The notice shall specify each parcel of property, the assessed valuation, the tentative taxable value for the current year and, beginning in 1996, the taxable value for the immediately preceding year. The notice shall also specify the time and place of the meeting of the board of review. Beginning in 1996, the notice shall also specify the difference between the property's tentative taxable value in the current year and the property's taxable value in the immediately preceding year. The notice also may specify the net change in the property's assessed valuation.

(2) Except as provided by subsection (4), the notice shall include, in addition to the information required by subsection (1), all of the following:

- (a) The state equalized valuation for the immediately preceding year.
- (b) The tentative state equalized valuation for the current year.
- (c) The net change between the tentative state equalized valuation for the current year and the state equalized valuation for the immediately preceding year.
- (d) The classification of the property as defined by section 34c.
- (e) The inflation rate for the immediately preceding year as defined in section 34d.
- (f) A statement provided by the state tax commission explaining the relationship between state equalized valuation and taxable value. Beginning in 1996, if the assessor believes that a transfer of ownership has occurred in the immediately preceding year, the statement shall state that the ownership was transferred and that the taxable value of that property is the same as the state equalized valuation of that property.

(3) When required by the income tax act of 1967, Act No. 281 of the Public Acts of 1967, being sections 206.1 to 206.532 of the Michigan Compiled Laws, the assessment notice shall include or be accompanied by information or forms prescribed by Act No. 281 of the Public Acts of 1967.